

From: "Cline, Brian" <Brian.Cline@ihe.com> on 04/23/2004 05:30:18 PM
Subject: Economic Growth and Regulatory Paperwork Reduction Act of 1996 Review

I chair the Enterprise-wide Compliance Committee of Irwin Financial Corporation, which includes Irwin Mortgage Corporation, Irwin Union Bank, Irwin Home Equity, and Irwin Commercial Finance. The total on/off balance sheet assets is a combined \$32 billion and we collectively operate in all 50 states. The Federal Reserve is our primary regulator. EGRPRA was a topic in the last ECC meeting we had and we applaud your efforts to reform compliance regulations and would like to provide you the following feedback.

Reg. B's applicability to business credit does not add value in our opinion, just unnecessary process and expense, particularly with regards to the provision of denial notices, incomplete application notices, and processing deadline provisions.

We support Federal pre-emption, especially with regards to privacy and predatory lending initiatives to simplify the current regulatory burden and level the playing field for all financial institutions. Federally regulated institutions should not have to comply with numerous requirements while State regulated institutions only have one set of rules to follow.

Apply consumer compliance regulations and enforcement to our 3rd parties, mainly brokers and title companies. As Federally regulated institutions we find that we have to train and clean up basic errors made by these institutions, usually because of the overly complex nature of RESPA. Again this is an example of an unlevel playing field where some institutions are held to higher standards than others in the same business. Federal regulations and regulators should realize this and either hold these 3rd parties to the same standard or exempt us from errors made by the 3rd parties. It is unfair to put us in the position of regulator for these types of companies.

Thank you for the opportunity to comment.

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